

September 18, 2017

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 4605 - 2017 Standard Offer Service Procurement Plan
Responses to Record Requests**

Dear Ms. Massaro:

On behalf of National Grid,¹ I am enclosing the Company's responses to the record requests that were issued at the PUC's evidentiary hearing on August 22, 2017 in the above-referenced docket.

Thank you for your attention to this transmittal. If you have any questions, please call me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosure

cc: Docket 4605 Service List
Leo Wold, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4605
In Re: National Grid's Standard Offer Service Rates
For the Residential, Commercial, and Industrial Groups
For Effect October 1, 2017
Responses to Record Requests
Issued at the Commission's Evidentiary Hearing
On August 22, 2017

Record Request No. 1

Request:

Would National Grid object to including a notification on the bill regarding competitive supplier prices as compared to the Standard Offer Service price?

Response:

On February 28, 2017, the Division issued its Order in Docket No. D-16-78 approving the Company's proposal to include the following informational message on the bill for residential electric (rate class A-16 Residential and A-60 Low Income) customers, which the Company implemented as of May 19, 2017:

“For Your Information

Customers can choose to purchase their electric supply from a non-regulated power producer (NPP). National Grid will continue to deliver electricity to you, and will respond to service calls, emergencies, and provide storm restoration. To compare offers, the rate for National Grid's electric supply, known as Standard Offer Service (SOS), is (current rate) effective 4/01/2017. The SOS rate is scheduled to change on 10/01/2017. Please note: the electric NPP must submit the enrollment at least 2 business days prior to your next scheduled meter read date, which is (scheduled date). For more information, visit www.ripuc.ri.gov.”

The Company would not object, subject to Division approval, to changing the link in the message, to instead direct customers to the Empower RI Web site, or <http://www.ri.gov/empowerri>.

At the August 22, 2017 hearing (the Hearing), a Company witness explained that competitive suppliers have the flexibility to structure their contract terms to differ from SOS rate periods, and this may result in offers that are lower than the proposed SOS winter rate. Contract terms that are different from SOS rate periods make it difficult to compare competitive supplier offers to SOS.

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Record Request No. 1, page 2

Below is a comparison of competitive supplier prices on Empower RI and equivalent SOS rates for residential customers.¹

Supplier	Contract Term	Rate	Equivalent SOS Rate
Viridian	6 months	6.17	9.08
Ambit Energy	3 months	6.20	7.29
Ambit Energy	12 months	7.80	8.64
Townsquare - exceeds RES	12 months	8.49	8.64
Best Practice Energy	12 months	9.29	8.64
Direct Energy	12 months	9.29	8.64
Best Practice Energy	13 months	9.39	8.65
Public Power	12 months	9.50	8.64
Ambit Energy - exceeds RES	12 months	9.90	8.64
Viridian - exceeds RES	12 months	10.28	8.64
Agera Energy	12 months	10.935	8.64
Agera Energy - exceeds RES	12 months	11.18	8.64
Ambit Energy	6 months	11.50	9.08

The Company created SOS rates equivalent to competitive supplier offers using SOS procurements made to date for the April 2018 through September 2018 rate period. This is based on transactions for 55% of SOS for the period and keeps all other components of the SOS rate (Standard Offer Adjustment Factor, Standard Offer Service Administrative Cost Factor and Renewable Energy Standard Charge) at the current level. While the final SOS rates for this period will be different, it is useful to include for this comparison.

Some competitive supplier offers are lower than SOS and some are above. At the hearing, the witness stated that SOS rates are comparable to competitive supplier offers and that is illustrated here. Also, the comparison demonstrates the difficulty customers may face when trying to compare competitive supplier offers to SOS, especially when rate periods differ. Customers

¹ The Company assumes competitive supplier offers start September. Therefore the equivalent SOS rates have a September start date. The equivalent SOS rates blend the monthly Residential Group SOS Prices over multiple rate periods. Comparison was done for competitive supplier offers posted on August 30, 2017.

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Record Request No. 1, page 3

would have to attempt to blend SOS rates from multiple rate periods to make comparisons to some of the competitive supplier offers.

Inaccurate comparisons may lead customers to pay more than SOS over time. The Company offers its assistance to work with other stakeholders to improve customers' abilities to make informed decisions.

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Record Request No. 2

Request:

How long after PUC approval of the Standard Offer Service Procurement Plan does the Company begin to procure?

Response:

The Company files its Standard Offer Service Procurement Plan (SOS Plan) by the March 1st prior to the SOS Plan's effective year. For example, by March 1, 2017 the Company filed its 2018 SOS Plan. Typically, an SOS Plan will be approved in the spring or early summer. If the current SOS Plan's schedule is continued in future years, the first procurement under an approved SOS Plan will be in the 1st quarter of the SOS Plan's effective year, usually in January. For example, the first procurement of the approved 2018 SOS Plan will be in January 2018.